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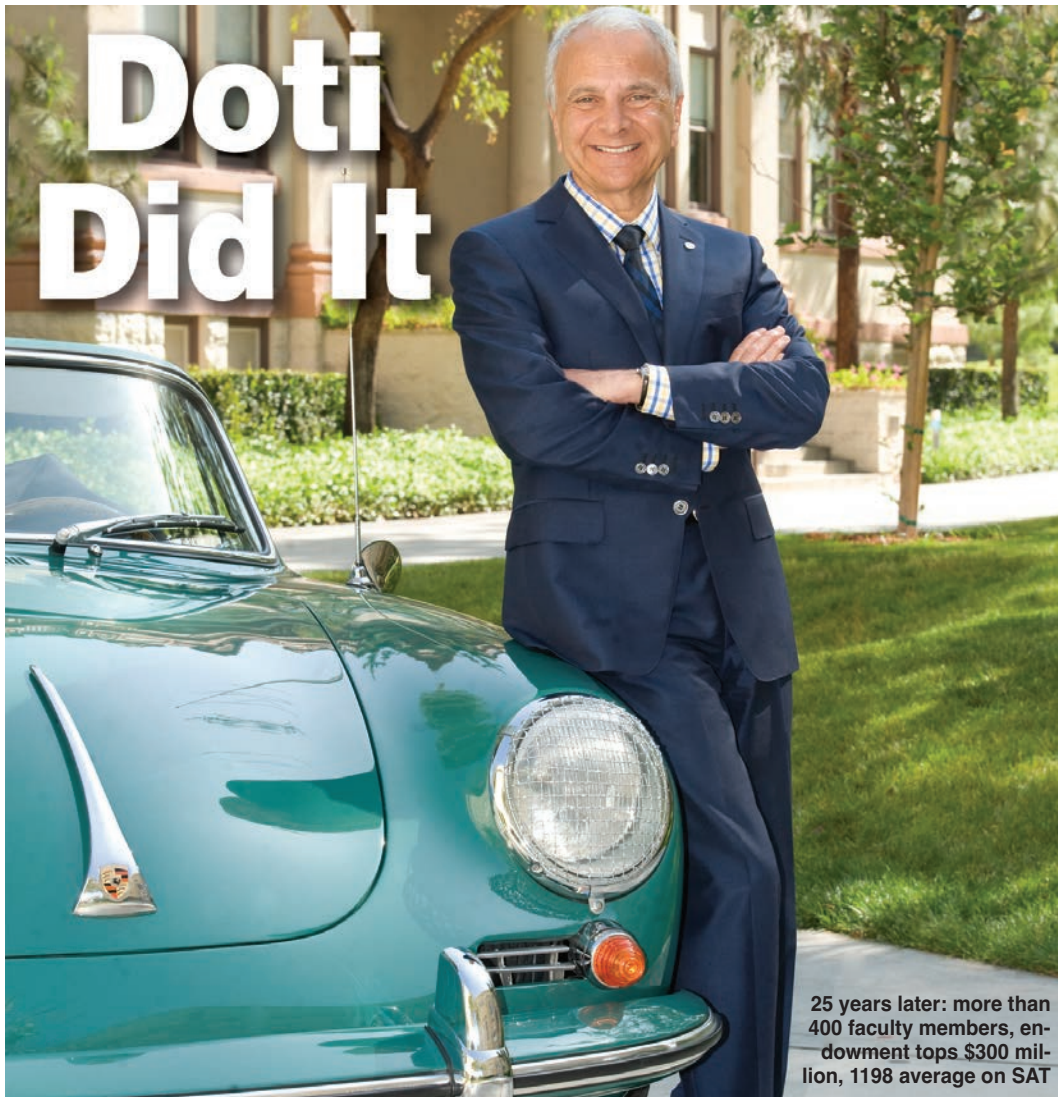
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## ■ ■ ■ BUSINESS PEOPLE OF THE YEAR ■ ■ ■



25 years later: more than 400 faculty members, endowment tops \$300 million, 1198 average on SAT

### Continued Quarter-Century Growth Drive for Chapman; Laid Groundwork for August Succession

■ By PAUL HUGHES

Chapman University President James Doti is our 2015 Business Person of the Year.

He is the longest serving president in school history—he retires in August, capping a 25-year tenure that has remade a small liberal arts college into a focused university with a much more substantial profile in Orange County, Southern California and the nation.

Chapman had about 1,900 graduate and undergraduate students when Doti became president. Today it has some 8,000.

“I had a vision to build the most exciting and vibrant environment for learning we could,” Doti said.

That vision has led to many new benchmarks for Chapman, including:

- 13,670 freshman applications, up 1,867% in 25 years;
- an average incoming-student SAT score of 1198, up more than 200 points;
- a six-year graduation rate of 79%, double 1991 numbers;
- 418 full-time faculty compared with 105 in

► Doti 38

Other Honorees



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### MetroCenter in Line for Big Renovation

**REAL ESTATE:** Sale likely biggest office deal of 2015

■ By MARK MUELLER

The new owners of MetroCenter at South Coast are planning a major renovation project of the office complex, with an expectation of turning the Costa Mesa site into one of Orange County’s most unique office campuses.

A venture between Madison, N.J.-based Prudential Real Estate Investors and McCarthy Cook & Co. in



Cook: Costa Mesa complex will take on “look of a Silicon Valley campus”

► MetroCenter 38

### Buena Park-Based Grocer to East Coast

**RETAIL:** 99 Ranch picks up pair of New Jersey locations from A&P

■ By MEDIHA DIMARTINO

Asian-themed grocery store chain 99 Ranch Market has landed in the Garden State for its East Coast expansion, according to documents filed with the U.S. Bankruptcy Court for the Southern District of New York.

Tawa Supermarket Inc., which operates Buena Park-based 99 Ranch, bought two stores from the Great Atlantic & Pacific Tea Co. in Montvale, N.J., during a bankruptcy auction held Oct. 1.

Tawa paid \$3.7 million for a store in Edison and \$2.8 million for a Jersey City location. It “intends to remodel” the spaces during the next nine months

► 99 Ranch Market 37

### OC to Show Range of Emerging Tech at CES

**TECHNOLOGY:** Startups leverage convention to gain notice in industry

■ By CHRIS CASACCHIA

A startup backed by Tech Coast Angels, a clandestine chipmaker, and a spinoff from one of Orange County’s largest publicly traded companies will be among the locals to debut this week at CES, the world’s biggest technology trade show.

Orange-based grandPad will share digs with two other companies funded by the Irvine angel investor group at Eureka Park, the hot spot at the Las Vegas Convention Center designated for budding entrepreneurs and crowdfunded products.

GrandPad is scheduled to make a major partnership announcement with an international brand for

► CES 18



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## MetroCenter

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Costa Mesa closed on the purchase of MetroCenter late last month.

The 17-acre campus, which is just off the San Diego (I-405) Freeway, holds a trio of 12-story offices totaling about 800,000 square feet, as well as a 51,000-square-foot 24 Hour Fitness health club.

The property was acquired from an affiliate of San Francisco-based **RREEF Funds LLC**, which had owned the campus for about a decade.

Financial terms of the sale were not immediately disclosed.

RREEF paid a reported \$261 million for the campus in 2005.

It looks as though the latest sale came just in time to be Orange County's priciest office sale of 2015.

A deal approaching the property's 2005 price would make MetroCenter Orange County's largest reported office sale of the past year by more than \$100 million.

The new owners are planning to put substantially more money into the Costa Mesa property over the next year and a half, adding a bevy of creative-office flourishes, extensive outdoor amenities, and other property upgrades on par with those seen at cutting-edge office properties in Silicon Valley, according to **Edward Cook**, co-president of McCarthy Cook.

The redevelopment project is also designed to tie the property into other cutting-edge Costa Mesa properties such as the Lab, the Camp and South Coast Collection retail centers, Cook said.

"If we're on our game, we'll create a truly unique workplace," said Cook, who founded the privately held real estate company in 1995 with **Tom McCarthy**.

### Size

In addition to its location, MetroCenter—which is on Anton Boulevard and a few blocks from the South Coast Plaza shopping



**MetroCenter: fountain to make way for food truck runway, other amenities**

center—has one big thing going for it: size.

It is the largest office campus in Orange County that's not owned by Newport Beach-based developer **Irvine Company**, according to McCarthy Cook officials.

The three offices, which were built in phases between 1984 and 1991, didn't see too much in the way of upgrades under their prior ownership, and the property has struggled of late in attracting tenants. Its buildings are currently about two-thirds occupied, according to the new owners.

Larger tenants at the property include **Experian Inc.**, which has its own headquarters campus next door to MetroCenter, as well as Santa Ana-based **Stearns Lending**.

Monthly rents at the buildings average about \$2.60 per square foot, according to McCarthy Cook officials.

That's roughly 25% below what's charged at other high-end properties in the vicinity, including Irvine Co.'s Pacific Arts Plaza and the Offices at South Coast Plaza, which is run by **C.J. Segerstrom & Sons**.

"Our goal is to narrow that gap" in rents following the redevelopment project, said **Brian Harnetiaux**, vice president of asset management for McCarthy Cook.

The property could be configured to hold

a single tenant needing upward of 100,000 square feet of contiguous space, Harnetiaux said.

The new ownership group said it has brought on **Cushman & Wakefield** vice president **Mike Coppin** to head up leasing for the property, and **Megan Allen** from the Irvine Co. to manage the property.

The new owners also are currently working with architects at the San Diego and Newport Beach offices of **Gensler** on the new designs for the upgraded property, a renovation project expected to cost well in excess of \$10 million, officials said.

See-through windows and sliding doors will be added to the first floors of each of the three offices at the property to make those spaces more appealing and promote indoor-outdoor workspaces.

It will be the first indoor-outdoor workplace in a high-rise campus setting in Orange County, according to Cook.

Underused outdoor patio areas on some of the buildings' upper floors also will be getting a similar facelift, along with renovations to the buildings' lobbies, restrooms and elevators.

### Food Trucks

MetroCenter's outdoor areas will also get a major overhaul, with a dedicated "food truck runway" planned with dedicated power and water stations for the vehicles in order to bring in a revolving cast of food vendors, as well as extensive seating areas for tenants to eat.

Also on tap: a 1-mile fitness path that will circle the property and likely be operated in conjunction with the on-site gym, a bike-share program for tenants, as well as an executive lounge, and shower area in one of the offices.

The goal is to get the renovations done by mid-2017.

"We think this will be a special place," Harnetiaux said. "We want to feed into the hip part of Costa Mesa."

"This is the first time you'll see a high-rise office (in Orange County) take on a look of a Silicon Valley campus," Cook said.

## Doti

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1991;

■ a \$301 million endowment, more than 10 times that of 1991.

The school has ballooned in size from 38 acres to 90 acres and from 13 buildings to 64. Its portfolio ranges from classroom and administration buildings to single-family homes near the Orange Plaza and its quaint traffic circle. A half-dozen more buildings are set to open or are in the planning stage.

Capping the growth this year will be the debut of the Hilbert Museum of California Art opening Feb. 26 and the Musco Center for the Arts opening March 19.

Still in design and fundraising: the school's Center for Science and Technology.

### Simon Scholars

Chapman in 1991 ranked no higher than No. 49 in three U.S. News & World Report categories—Western regional schools, academic reputation, and student selectivity.

It's now in the top 10 of each.

"We have become much more selective," Doti said.

Students and professors—and high school applicants—had to adapt to a changing Chapman.

Doti ended the popular "Chapman Access" program for underprepared high school seniors.

"Guidance counselors were sending us the weakest students," he said.

When Chapman works with students from underserved groups now, they're as likely to

be Simon Scholars on four-year, full-tuition scholarships funded by OC entrepreneur **Ronald Simon**.

Doti also ended Chapman's Division I and II sports programs—moving \$1.5 million in athletics dollars to academic-focused funding. It now plays Division III sports, for which scholarships aren't permitted.

"We spent a lot of money, but few students participated," he said. "Now students play sports because they love to."

He said athletic participation has climbed from about 120 students in 1991 to about 500 today.

### Change

Chapman's reputation changed gradually. "It's like climbing a mountain," said Doti—who has climbed several of the planet's tallest peaks. "You climb, you acclimate yourself to the new level, you climb, and you acclimate again."

The school also has declined to enter areas that stray beyond its focus.

Doti said it once turned down a donation to start a hotel and restaurant management program.

"We decided that's not something we can do well."

Chapman formed a separate entity for adult education, **Brandman University**, and moved it to Irvine.

"We were a two-headed beast" before that,



**Doti: returns to classroom this fall**

Doti said. "Schools like that tend to drift."

The school has pushed deeper into film, health sciences, and science and technology education.

"We have a few more things up our sleeve," Doti said.

He places the process squarely as an economics question, which is his academic background. His wife, **Lynne**, is also a Chapman economics professor.

Doti should be well prepared to return to the classroom after he steps down as president—he's spent his time in the role applying the basics of his background to growing the school.

"It was about becoming an educational economist, so to speak," he said. He looked at the numbers and where the university could have the most impact. "We signaled we were a different kind of school."

### Tough Decisions

The push to draw higher achieving students to Chapman led to a bigger campus, larger library, and more programs.

"If that's your goal, you make the tough decisions to get there," he said. "Everything you do each day is about that. Once you know where you're going, the choices are easy."

A series of five-year plans guided Chapman. "I never thought I'd be here 25 years," Doti said. "I thought maybe 10. But in my 10th year, we weren't done, so we kept moving."

The last five-year plan included terms of his eventual departure.

"Five years ago I realized I'd be turning 70, and I had to start thinking about that," he said.

Chapman Chancellor **Daniele Struppa** had been at the school for five years, and Doti undertook succession planning with him, inte-

The purchase marks the second notable OC office purchase for Prudential Real Estate Investors in 2015. In August it bought 1301 Dove St., a 202,000-square-foot office in Newport Beach about a mile from John Wayne Airport. McCarthy Cook is acting as that building's asset manager.

The investment division of Newark, N.J.-based **Prudential Financial** paid nearly \$73 million for the Dove Street building, one of several big local office properties bought by insurance companies in 2015.

"With projections for outsized employment growth relative to the nation and limited new office construction, we believe Orange County's office market has considerable room to grow before approaching pre-recession peaks," said **Kevin Smith**, head of the Americas at Prudential Real Estate Investors.

For McCarthy Cook, the MetroCenter purchase marks a return home of sorts for the real estate owner and developer, which played a large part in the campus' prior development and entitlement work more than 15 years ago.

Among other things, it helped entitle the land next to MetroCenter that was used to build Experian's 450,000-square-foot campus, as well as a 4.8-acre site on Anton Boulevard next to the office complex that now holds a pair of unused restaurant sites. That land is slated for an upscale rental project called Symphony Apartments.

McCarthy Cook was part of the ownership group that sold the MetroCenter offices to RREEF in 2005, but it kept a stake in the 4.8-acre site, whose ownership group also includes **Stockbridge Capital Partners** in San Francisco and Santa Ana-based **Sakioka Co.**, a longtime area landowner.

The 393-unit apartment site—once considered for a high-rise condo tower but now envisioned as a midrise rental project—could begin to see work move ahead next year.

The addition of the rental units, combined with the upgrades to the office property, will make MetroCenter a mixed-use campus not too different from Irvine's Park Place in terms of amenities, Cook said.

"It's how people want to work today." ■

grating Struppa's work more and more with donors and the board of trustees.

"He's a great scholar, nationally known," he said. "Most importantly, he's a good person who treats people with respect and dignity."

The search for a replacement for Struppa—Chapman will change the job title to provost in August—also figured into the plan.

### Busts

Doti joined the Chapman faculty in 1974, earned his Ph.D. from the University of Chicago, was dean of Chapman's business school, and twice served as its acting president in the late 1980s.

He holds Chapman's Donald Bren Distinguished Chair of Business and Economics.

"That means as much to me as being president," he said.

The Bren chair is an endowed professorship—another category that's grown at the school since 1991.

The school had one endowed chair when Doti became president.

He was in Rome, training for a marathon, when he wondered, "how we could hop that up more?" He came upon a series of statues along the route of a run, and the light bulb went off.

Now donors who give at least \$2 million to endow a chair can also select a bust to place on campus. Donors have chosen to honor people ranging from **Martin Luther King Jr.** and **Benito Juarez** to **Abraham Lincoln** and **Margaret Thatcher**.

The school now has 60 such likenesses around campus, including one given by Doti and his wife in honor of his late mentor, **Milton Friedman**. ■